

studies he left and with the same ability to meet the expenses of a college education.

#### ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 115

At the request of Mr. ALLOTT, the Senator from New York (Mr. BUCKLEY), the Senator from Alaska (Mr. STEVENS), the Senator from South Dakota (Mr. McGovern), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Amendment No. 115, intended to be proposed to H.R. 6531, the Military Selective Service Act.

#### ANNOUNCEMENT OF HEARINGS BY THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. STEVENSON. Mr. President, as chairman of the Senate District of Columbia Subcommittee on Business, Commerce and Judiciary I would like to announce hearings on Friday, June 11, 1971, at 9:30 a.m. on the following bills:

H.R. 2594.—Relating to the distribution of a minor's share which does not exceed \$1,000 in a decedent's estate.

H.R. 2894.—To incorporate the Paralyzed Veterans of America.

H.R. 5638.—To provide criminal penalties for interfering with a fireman performing duties (same as for police).

H.R. 6105.—To incorporate the Merchant Marine Association.

H.R. 7931 (S. 1369).—Amending Code for administration of small estates.

S. 1370 (H.R. 1370).—To standardize procedures for testing of utility meters and add penalty provisions in order to qualify under Natural Gas Pipeline Safety Act.

Any interested person who wants to file a statement or to appear as a witness on these matters should notify Mr. Gene Godley, General Counsel of the District of Columbia Committee in Room 6222, New Senate Office Building.

#### NOTICE OF HEARINGS RELATING TO ARMS CONTROL

Mr. MUSKIE. Mr. President, I wish to announce that the Arms Control, International Law and Organization Subcommittee of the Senate Foreign Relations Committee will begin its series of hearings on the arms control implications of various U.S. weapons systems and strategic doctrines on June 16 and 17 at 10 a.m. in room 4221.

These first 2 days will be concerned with the effects on the arms race of the American nuclear deterrent triad: our submarine-launched missiles, land-based missiles, and intercontinental bomber forces.

I gave a detailed description to the Senate of the subject matter of these entire hearings on May 6.

We hope to hear both from administration and outside witnesses on the question of whether our strategic nuclear deterrent can be modified to help stabilize the arms race, increase American security, and save billions of taxpayers' dollars, without in any way lessening our

ability to deter any adversary from initiating a nuclear war.

#### ANNOUNCEMENT OF HEARINGS BY THE SUBCOMMITTEE ON PARKS AND RECREATION

Mr. BIBLE. Mr. President, I wish to announce for the information of the Senate and the public that open hearings have been scheduled by the Subcommittee on Parks and Recreation on the following:

On June 10, 1971:

S. 1152—Percy—to facilitate the preservation of historic monument and:

S. 1245—Moss et al.—relating to the preservation of historical and archeological data.

On June 15, 1971:

Oversight and informational hearing on the National Park Service—To cover such subjects as security, traffic management, public safety, vandalism, etc.

#### NOTICE OF HEARINGS ON THE ESTABLISHMENT OF A COAL GASIFICATION CORPORATION

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate that the Committee on Interior and Insular Affairs will hold open hearings on July 27 and 28 on S. 1846, a bill introduced by Senator Moss and myself to establish a coal gasification corporation. Several other Members of the Senate have asked to join with us in sponsoring this measure which is intended to provide a framework for Government and industry to cooperate in the essential job of bringing technology for the production of gas from coal to commercial reality.

This hearing will be held in the committee room, 3110 New Senate Office Building, and will begin at 10 a.m., each day.

#### ADDITIONAL STATEMENTS

##### PROPERTY TAXATION: A STUDY BY THE CONGRESSIONAL RESEARCH SERVICE

Mr. MUSKIE. Mr. President, the Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, has released for public use a committee print entitled, "Property Taxation: Effects on Land Use and Local Government Revenues."

This is a background study prepared for the subcommittee by the staff of the Congressional Research Service. It is a very thorough paper reviewing the shortcomings of present property taxation policies and practices as they affect Government revenues and land use, and it examines in depth some of the major intergovernmental relations involved. It also explores alternative methods of property taxation and methods of making such a tax more efficient and equitable.

Copies of the study will be made available upon request to Members of Congress, congressional committees, and officials of Federal, State, and local

governments, as long as the subcommittee's supply lasts. Copies are also on sale at the U.S. Government Printing Office.

#### NATIONAL PEACE CORPS WEEK

Mr. HUMPHREY. Mr. President, as the sponsor of and as one of the Senators who worked with President John F. Kennedy to pass the first Peace Corps bill in 1961, it is with some personal joy and pride I salute the Peace Corps during National Peace Corps Week, May 30 to June 5.

The Peace Corps as we know has dispatched both young people and older citizens around the world as citizen ambassadors.

In the past 10 years, 45,000 Americans have served in more than 60 countries as educators—in schools, on farms, in hospitals, and in the homes of our many foreign neighbors.

Our American Peace Corps volunteers have tried to provide a little better living for our friends abroad as well as to make them a little happier.

When a Peace Corps volunteer left his assignment he often could look back in pride over the work he did—improving farming methods, teaching young children and adults how to read and write and offering health care advice.

In the minds of the people he helped, the Peace Corps volunteer was an adopted citizen.

He gave new hope and inspiration to the families in far off villages in Africa or Latin America. He encouraged peoples to develop their potential to the maximum.

His special skills, insights, and sensitivities to the needs and desires of foreign neighbors made him a friend.

During the past 10 years, the Peace Corps also has shown it can provide a new source of ideas and talent to Government, industry, and private enterprise in this country.

Former volunteers are making their contributions to this country in many ways.

A former Peace Corps volunteer recently was elected to the Ohio Legislature. Another volunteer has become deputy city manager of Little Rock, Ark.

Others are involved in various model cities programs. Many more are working as teachers, nurses, and doctors.

All of these people are using the wisdom, experience, and creativity at home after first giving of themselves to other peoples of the world.

I am proud to have played a role in getting the Peace Corps started and keeping it active as a Senator and former Vice President.

As we salute the Peace Corps this week, there also is much to look forward to in the new public spirit of volunteers.

This spirit is evident in the increased number of persons applying for assignments with the Peace Corps.

In March alone, there were 5,195 applications submitted to the Peace Corps offices in Washington, the largest number for 1 month since 1966.

So far this year 21,000 persons have applied to the Peace Corps compared with 14,000 applications received in 1970.

With this enthusiasm for the Peace Corps, it is with great pleasure that I congratulate the thousands of men and women who have given a helping hand to the peoples of the world in maintaining our tradition and concern for others.

#### TAXES AND PROSPERITY—THE PRODUCTIVITY GAP

Mr. TAFT. Mr. President, for many years American industry has been able to overcome the wage differential enjoyed by foreign competitors through more productive machinery and equipment. At the present time, however, our productivity advantage is well on the way toward being lost. If we do not take prompt steps to restore the competitive efficiency of American industry, we will sorely face a productivity gap with major industrial competitors which will be more serious than even a missile gap.

As we examine the social priorities of this country we see the need for better health care, improved housing, and better educational facilities. The fulfillment of these needs, however, is absolutely dependent upon the productivity of American industry. Unless we are able to maintain our world leadership in foreign trade and in our own markets as well, the United States will be unable to pay the bill for the better standard of living which all Americans expect to enjoy. We can not fence ourselves in to such a standard with a wall of protection.

If we do not maintain America's productivity advantage there will be a sharp reduction in the purchasing power of the American worker, a further loss of jobs through foreign competition, a loss of export markets, and a loss of large portions of our domestic markets through foreign imports.

Since World War II American industry has increased its productivity at a rate of more than 3 percent per year. During the last 4 years, however, this rate of productivity growth has declined to 1.7 percent but compensation per man hour during the last 2 years rose at an annual rate of 7 percent. As a consequence, unit labor costs have increased at a rate of 5.3 percent per year. This increase in unit labor costs has had a direct effect upon the economic problems which now beset this country.

The significance of productivity is illustrated by the fact that an increase of 0.4 percent in the productivity growth rate for American industry would result in an additional \$250 billion in additional gross national product during the next decade. This increase would mean not only higher profits but more purchasing power for the American worker and more job security for those who are now threatened by foreign competition.

What steps must we take to overcome the productivity gap? In my judgment we must undertake a national crusade to modernize the tools of American industry and eliminate restrictive and anti-productive work practices.

With respect to our tools of production—between 1968 and 1970, the per-

centage of outmoded manufacturing equipment increased over 7 percent. This obsolescence has had a direct relation to the American balance of trade and the loss of American jobs. Between 1968 and 1970 our balance of trade declined 70 percent, American goods are now becoming less competitive in both foreign and domestic markets and this trend threatens the jobs and buying power of every American wage earner.

Why is American industry losing its productivity advantage?

At the present time the United States reinvests a smaller portion of its gross national product in productive equipment than any other major industrial nation.

To provide needed capital and incentive to modernize American industry we must provide accelerated depreciation and restore the investment tax credit.

One of the principal reasons why American industry has not retained its competitive advantage is that every other industrial nation permits its industries to recover the cost of machinery and equipment over a much shorter period of time. The first year cost recovery allowances average 20 percent in Belgium, 20 percent in Canada, 31 percent in France, 21 percent in Italy, 34 percent in Japan, 28 percent in Luxembourg, 30 percent in Sweden, and 57 percent in the United Kingdom, but in the United States this average is only 7.7 percent.

By shortening recovery periods, the President's proposed asset depreciation range—ADR—would bring the American tax structure more into line with the tax structures of other industrial nations.

In this context it is astounding that certain Democratic presidential hopefuls and high labor officials would sacrifice the jobs and buying power of American workers by attacking ADR. Do they really believe that they can gain favor with the American worker by placing him at a competitive disadvantage so that his job may be taken by a foreign worker?

Is the scent of the White House rose garden so alluring that these candidates would keep the American worker in front of outmoded and obsolete equipment?

The attempts by labor leaders to take a political swipe at the President on the issue of ADR have simply undercut the hopes of union employees to protect their jobs against foreign competition. The dilemma which labor leaders have created for themselves is illustrated by the News-Tribune, a labor newspaper in Columbus, Ohio. On May 24 this labor paper attacked the President for his proposals for accelerated depreciation. Then in the very same issue these labor officials urged sweeping new investment legislation to curb the export of American jobs. Do not these labor officials realize that their shortsighted attacks upon the President are simply undercutting the job security of their own members?

I ask unanimous consent that these two articles appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. TAFT. To improve the productivity of the American worker and American industry we must also restore the investment tax credit now so that American manufacturing facilities will be modernized. There is a direct relationship historically between the investment tax credit and actual expenditures for modernized tools of production. The United States has dominated the machine tool industry since before World War I. The 1971 projected machine tool shipments show, however, that West Germany will more than double U.S. shipments. The Soviet Union will almost double ours. Japan will almost double ours, and we will only be slightly ahead of the United Kingdom, Italy, and France. The sad figures for April just published—34.8 percent down from last year—show the continuing trend.

For every industry there is a preferred operating rate, which is that percent of capacity at which production should be maintained. For the American metalworking industry as a whole, the preferred rate is 91 percent, but in February of this year it operated at only 66½ percent. While the machine tool industry is, of itself, important, it is not nearly so significant as the efficiency of all American industry. The machinery industry instead of operating at 94 percent is down to 62 percent, the electrical machinery instead of 91 percent is at 59 percent, the aircraft industry instead of 93 percent is down to 53 percent, and the instrument industry is down from 92 to 60 percent.

Losses in productivity mean lost orders—lost orders mean lost profits and lost jobs. It is vital that the tools of production of American industry be modernized so that we can continue to pay the American worker more than his foreign counterpart and still remain competitive on the world market.

Second, let me just mention that we must also undertake to strike down unproductive work rules. Illustrative of this problem is the railway industry. On February 11, 1971, the trustees of the Penn Central said that 10,000 of its employees were retained solely because of arbitrary and archaic work rules. These work rules mean not just a loss of profits for stockholders but more importantly restrictive work practices mean higher costs for consumers and lower wages for employees.

At the present time railroads have to change crews and in some cases cabooses every 100 miles. Switching limits restrict the area where yard crews and rate crews can operate. Other work rules restrict the use of radio communication among railroad employees. Radios are used for communication among airplanes, ships, taxicabs and TV repairmen, but certain railway employees, because of outdated work rules, must communicate with flags and hand signals.

If the crew of one railroad takes cars on to another railroad for interchange, it cannot pick up the cars returning to its own line. Unfortunately, restrictive work practices are not solely limited to the railroads. They are far too prevalent in much of American industry. Wherever they exist they increase the price that